

KANSAS RACING AND GAMING COMMISSION

MINUTES – JANUARY 11, 2019

CALL TO ORDER (A.)

Chairman Brandon Jones called the January 11, 2019 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses, Larry Turnquist, and Dave Myres were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Electronic Security and I.T. Dennis Bachman, Director of Security Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

MOTION, APPROVE AMENDED AGENDA (B.)

Commissioner Turnquist (Myres) moved to approve the amended agenda. Motion carried unanimously.

MOTION, APPROVE DECEMBER 14, 2018 MEETING MINUTES (C.1.)

Commissioner Moses (Turnquist) moved to approve the minutes of the December 14, 2018 meeting. Motion carried unanimously.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Turnquist (Myres) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- December 2018 revenue numbers compared to December 2017:
 - Total gaming revenue increased 0.17%
 - Total slot revenue increased 2.45%
 - Table games revenue decreased 15.48%
- Past Promotions and Events:
 - Ninth Anniversary Hot Seats
 - Christmas Day Buffet
 - Weekly Promotions
 - New Year's Eve Money Machine
- Upcoming Promotions and Events:
 - New Year, No Payments Drawings
 - Jeff Foxworthy, February 8th
 - Harlem Globetrotters, February 11th
 - Gary Allen, February 15th

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

- Semi-Annual Responsible Gambling Report (July 1, 2018 – December 31, 2018):
 - During reporting period – 48 new hires
 - All new hires received TIPs (responsible alcohol) testing and responsible gambling training
 - As of December 31st – 245 active employees
 - Participated in Responsible Gaming Education Week, August 6th-10th
 - Refused 5 VEPs entry to casino floor
 - Removed 31 VEPs from casino floor
 - Refused entry to 20 patrons appearing intoxicated
 - Removed 115 patrons from casino floor for appearing intoxicated
 - Refused 466 minors entry to casino floor
 - Removed 3 minors from casino floor
 - Refused entry to 536 patrons for not having an ID
 - Refused entry to 451 patrons for having an invalid ID

Jeff Babinski, General Manager, reported:

- December 2018 revenue numbers compared to December 2017:
 - Admissions up 0.1%
 - Total gross gaming revenue down 0.3%
 - Slot coin-in up 2.4%
 - Slot hold down 0.15 points
 - Table games drop down 2.2%
 - Table games hold down 1.1 points
 - Poker room revenue down 9.0%
- Past Events and Promotions:
 - Cirque Musica Holiday Show, December 1st
 - Mercedes Benz Giveaway, December 28th
 - New Year's Eve
- Semi-Annual Responsible Gambling Report (July 1, 2018 – December 31, 2018)
 - During reporting period – 120 new hires
 - All new hires received responsible gaming and alcohol awareness training
 - As of December 31st – 821 active employees
 - Team members wore ribbons for Responsible Gaming Education Week, August 6th – 10th
 - Refused 1 VEP entry to casino floor
 - Removed 14 VEPs from casino floor

- Refused entry to 162 patrons appearing intoxicated
- Removed 419 patrons from casino floor for appearing intoxicated
- Refused 231 minors entry to casino floor
- Removed 5 minors from casino floor
- Refused entry to 712 patrons for not having an ID
- Refused entry to 451 patrons for having an invalid ID
- Security checked 101,849 IDs

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Richard Skinner, General Manager, reported:

- December 2018 revenue numbers compared to December 2017:
 - Total gaming revenue was \$13.8 million, an increase of 4.2%
 - Table games revenue was \$1.9 million, an increase of 9.1%
 - Slot revenue was \$11.9 million, an increase of 3.5%
- December Events and Promotions:
 - NCL Cruise Event, December 1st
 - Night of 103 Winners, December 1st
 - Kansas Lottery Instant Scratch Ticket Giveaway, December 14th
 - Stuff Your Stockings, December 15th
 - Winning Hand, December 27th and 28th
 - New Year's Eve Celebration, December 31st
- January Events and Promotions
 - Touchdown Pigskin Drawing, January 11th
 - Raid the Vault, January 12th
 - Pigskin Payoff Grand Prize Drawing, January 18th
 - VIP Mystery Drum, January 19th
- Semi-Annual Responsible Gambling Report (July 1, 2018 – December 31, 2018)
 - During reporting period – 52 new hires
 - All new hires received responsible gaming training
 - As of December 31st – 644 employees
 - Removed 6 VEPs from property
 - Removed or refused entry to 176 patrons appearing intoxicated
 - Refused 125 minors entry to casino floor
 - Removed 2 minors from casino floor

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Doug Fisher, General Manager, reported:

- December 2018 revenue numbers compared to December 2017:
 - Admissions decreased 5.4%
 - Net slot win increased 10.6%
 - Net table games win decreased 3.1%
 - Net gaming revenue increased 7.7%
- Past Events and Promotions:
 - Country singer, Moe Bandy, December 15th
 - Tune in TV Giveaway, December 22nd
 - Win Crossing Cash for a Year, December 29th
 - Drive into 2019, Dodge Ram Giveaway, December 30th
 - “\$31k on the 31st” Top prize - \$19,000 at midnight, December 31st
- Upcoming Events and Promotions:
 - Thursdays and Fridays in January – all invited guests receive a piece of copper bakeware
 - Rock Band Great White, January 26th
 - Rock Band, Candlebox, February 9th
 - Coolio and Tag Team, March 2nd
- Semi-Annual Responsible Gambling Report (July 1, 2018 – December 31, 2018)
 - During reporting period – 66 new hires
 - All new hires received responsible gaming training
 - As of December 31st – 248 active employees
 - Team members quizzed on responsible gaming for Responsible Gaming Education Week
 - Removed 2 VEPs from casino floor
 - Refused entry to 24 patrons appearing intoxicated
 - Removed 81 patrons from casino floor for appearing intoxicated
 - Refused 115 minors entry to casino floor
 - Removed 2 minors from casino floor
 - Refused entry to 541 patrons for not having an ID
 - Refused entry to 231 patrons for having an invalid ID

COMMISSION ITEMS –
OLD BUSINESS
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS
(G.)

There were no new business items.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1.a. and I.2)

Sarah Lynch-Chaput, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of December 2018.

Executive Director Brownlee reported:

- Washington D.C. approved sports wagering
- Eleven jurisdictions have approved sports wagering, with seven jurisdictions up and operating
- Michigan legislature approved online gambling, but the governor of Michigan vetoed the legislation
- There is a tribal casino under construction in Guymon, OK with a target date to open in 2019
- Mark Dodd, Executive Director of State Gaming Agency, resigned and Kala Loomis will be the Interim Executive Director of State Gaming Agency
- Dodge City supervising agent Kent Schoen retired effective January 12, 2019
- Pittsburg supervising agent Rick Wilson will supervise both Dodge City and Pittsburg until a replacement is hired
- The open position in the Electronic Security Unit has been filled by Dave Schroeder
- New Governor Laura Kelly will be sworn in on January 14th
- New Legislative session starts on January 14th
- Executive Director Don Brownlee is scheduled to give an overview of the agency to the Senate Federal and State Affairs Committee on January 16th

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE
(J.1)

Commissioner Turnquist (Myres) moved that the Commission go into executive session for the purpose of confidential attorney-client privileged communication. Those included in the executive session, in addition to the commissioners, were the executive director and general counsel. The total time for the executive session was anticipated to be fifteen minutes until 10:50 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:35 a.m.

RECONVENE

The commission meeting returned to open session at 10:50 a.m. with all members present.

MOTION; EXECUTIVE
SESSION; MATTER
INVOLVING
CONFIDENTIAL DATA
RELATED TO FINANCIAL
AFFAIRS OF KANSAS
STAR CASINO, LLC
(J.2)

Commissioner Moses (Turnquist) moved that the Commission go into executive session for the purpose of reviewing a matter involving confidential data related to the financial affairs of Kansas Star Casino, LLC. Those included in the executive session, in addition to the commissioners, were the executive director, general counsel, Enforcement Attorney Michelle Neis, Supervising Agent Harry Spencer, and VEP K02880. The total time for the executive session was anticipated to be forty minutes until 11:30 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:50 a.m.

RECONVENE

The commission meeting returned to open session at 11:30 a.m. with all members present.

MOTION, UPHOLD
EXECUTIVE DIRECTOR'S
DECISION TO DENY
(J.2)

Chairman Jones (Myres) moved that the Commission uphold the Executive Director's decision to deny the request for removal from the exclusion list. Motion carried unanimously.

MOTION, EXECUTIVE
SESSION; BACKGROUND
REPORTS
(J.3)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of deliberating on license applications, including reviewing confidential background reports. Those included in the executive session, in addition to the commissioners, were the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be ten minutes until 11:45 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 11:35 a.m.

RECONVENE

The commission meeting returned to open session at 11:45 a.m. with all members present.

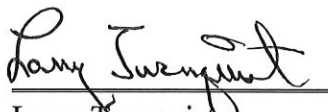
MOTIONS ON LICENSE
APPLICATIONS
(K.)

Commissioner Turnquist (Myres) moved to *conditionally approve* two license applications, *table* one license application, and *approve* the remaining 128 license applications from the January 11, 2019 list of background reports referred to the commission for action. Motion carried unanimously.

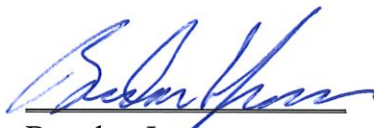
ADJOURN
(L.)

Commissioner Turnquist (Myres) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 11:50 a.m.

SUBMITTED BY:


Larry Turnquist
Secretary

APPROVED BY:


Brandon Jones
Chairman